

District III Digest

Volume 22, Issue 3

November 2004

**** Business Support Services **** *Special Edition*

Small Business by the Numbers

Do you think the United States economy is driven by big business? Think again! Here are some statistics made available from the Small Business Administration's Office of Advocacy regarding the impact of small business.

Small Businesses...

- Represent more than 99.7% of all employers
- Employ more than half of all private sector employees
- Pay 44.5% of the total U.S. private payroll
- Generate 60-80% of net new jobs annually
- Produce 13 to 14 times more patents per employee than large firms
- Are employers of 39% of high tech workers
- Are 53% home-based and 3% franchises
- Owned by women in the U.S. employ 9.2 million employees and generate \$1.15 trillion in sales



Between 1997 and 2002, the number of women-owned firms increased at twice the rate of all firms (14% vs. 7%), employment grew at one and a half times the rate (30% vs. 18%), and revenues increased at the same rate.

In South Dakota, **we rank 20th nationally** in the growth of the number of privately-held, majority women-owned firms, **3rd in employment growth**, and **1st in sales growth**. The impact of women entrepreneurs is also seen locally. As of September 30, 2004, women represent 57% of the Yankton Small Business Development Center's active client base.

South Dakota earns an impressive national ranking. In a recent article published by Inc.com, **South Dakota is rated the friendliest state in the nation for entrepreneurship**. This ranking is based on the 2004 Small Business Survival Index which ranked each state based on twenty key costs that affect small business and entrepreneurship.

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Areawide Business Council, Inc.

A Regional Revolving Loan Fund For Job
Creation & Economic Development

"The Areawide Business Council (ABC) revolving loan fund provides low interest financing for new and expanding businesses. This assistance is intended to promote the development of business and industrial concerns, create jobs, leverage other public and private funds, and diversify the area's economy."

This statement has been the core "purpose" behind ABC since its inception over twenty years ago. Surprisingly, there are still people in the business, banking, and development sectors in this region that have never heard of ABC or simply do not know what it does. In an effort to increase visibility, the ABC Board of Directors has put together a marketing plan. New promotional material will be developed and distributed, but ABC's greatest marketing tool is word of mouth. Please pass the word along to your colleagues.

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DIRECTOR'S CORNER

By Greg Henderson

Business Support

This issue of the District III Digest contains several articles on District III's business support services. As a federally designated "Economic Development District", we have both the mission and challenge of helping the region's private sector. The majority of our business related assistance involves three activities:

- ❖ Low interest financing;
- ❖ Infrastructure; and
- ❖ Counseling

District III has developed into a true 'one stop shop' for business support. The Areawide Business Council, Small Business Development Center, and Business Information Center are all under the District's roof and control. This situation did not come to pass by accident.

Our membership has always approached our development role from an entrepreneurial perspective. In other words, if an opportunity came

along, we went after it. The next target is the SBA 504 Loan Program. District III was involved with a similar program in the early 1980's but a host of reasons prevented us from being successful. The current economic environment and our office capabilities justify expanding our range of loan services. We have an SBA 504 application pending in Washington D.C. Hopefully, approval will come early next year. □

Congratulations to Randall RC&D

The Randall RC&D Council recently celebrated its 40th anniversary. District III's organizational ancestry goes back to the grassroots community activism of the persons involved with the RC&D movement. Many of our board members also serve on RC&D councils. This 'cross pollination' has contributed to a long standing history of cooperation and mutual support. Randall has led the way in attacking Missouri River watershed issues. Les Labahn and the Council deserve a lot of credit for sticking with controversial and seemingly insurmountable problems. □



22 Years of Business Support Services



Business Information Center



(Small Business continued)

How does the Small Business Development Center (SBDC) come into play? Since 1985, the South Dakota SBDC has helped clients obtain more than \$200 million in financing, and assisted clients in creating or preserving more than 5,500 jobs within the state. SBDC services enable South Dakota's entrepreneurs to make better, more informed business decisions, avoid costly mistakes, and prepare thorough and complete business plans needed both to obtain financing and to effectively manage their venues. A network of six offices across the state and 1,100 SBDC offices around the country provide professional, confidential, and no-cost business consulting services.

The Yankton SBDC covers the same geographic area as District III, which includes a satellite office in Mitchell. Business consultants from both offices are willing to travel anywhere in the district to meet with clients, or clients may come to either office for an appointment. As of October 6, 2004, the SBDC will also be holding office hours in Chamberlain on the first Wednesday of each month (contact the Mitchell SBDC for an appointment).

The Business Information Center (BIC) is another great business resource. Also located in the District III office, the BIC is a complete business library which is open to the public from 8:00 am to 5:00 pm.



Publications cover a wide variety of business topics, like business start up, recordkeeping, marketing, management, and finance. The BIC also contains a personal computer with internet access. A copier, fax machine, and scanner are available upon request.

U.S. Small Business Administration



If you would like to meet with one of the SBDC business consultants, please call Sue Stoll in Yankton at 605-665-0751 or Teka Gunkel in Mitchell at 605-996-1140. □

Governor's House Program



The Governor's House program guidelines have changed effective October 18, 2004. The new guidelines for the program are:

- The price of the homes increased from \$28,000 to **\$30,800**
- Households of 2 OR LESS must have an income less than **\$33,500**.
- Households of 3 OR MORE must have an income less than **\$36,750**.
- Households UNDER 62 YEARS OF AGE must have a net worth less than **\$100,000**, of which no more than **\$70,000** may be in liquid assets.
- Households OVER 62 YEARS OF AGE must have a net worth less than **\$175,000**, of which no more than **\$100,000** may be in liquid assets.

To learn more about the Governor's House Program, call Eric at the District III office. □

Building a Better Quality of Life



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DOWNPAYMENT & CLOSING COST ASSISTANCE



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Harry Redman, GIS Coordinator
Travis Acklin, GIS Specialist

AVAILABLE SERVICES:

- Parcel Mapping
- Plat Mapping
- E911 Rural Addressing
- Global Positioning System (GPS) Services
- Geocoding (Address location like MapQuest)
- GPS Sign Inventory for Highway/Road Department
- Hazardous Materials (HazMat) Mapping
- General GPS/GIS Mapping
- GIS Training

GIS Services Announcement

2004 Farm Service Agency (FSA) digital imagery will be available after the first of the year. Contact Harry Redman at District III for details.

Please remember that District III can provide various types of GIS assistance (parcels, plats, hazmat, etc.). **If you have any questions, please call Harry Redman at District III.** □

DISTRICT III ANNOUNCEMENTS & DEADLINES

- NOVEMBER 11:** VETERAN'S DAY – OFFICE CLOSED
- NOVEMBER 12:** **BROWNFIELDS APPLICATIONS DUE**
- NOVEMBER 17:** EXECUTIVE BOARD MEETING IN WAGNER
- NOVEMBER 25-26:** THANKSGIVING – OFFICE CLOSED
- DECEMBER 24:** CHRISTMAS (OBSERVED) – OFFICE CLOSED
- DECEMBER 31:** NEW YEAR'S DAY (OBSERVED) – OFFICE CLOSED
- JANUARY 1:** **CONSOLIDATED APPLICATIONS DUE**
SOLID WASTE MANAGEMENT APPLICATIONS DUE
- JANUARY 12:** FULL COMMITTEE & EXECUTIVE BOARD MEETINGS IN LAKE ANDES
- JANUARY 15:** **DRINKING WATER & CLEAN WATER SRF APPLICATIONS DUE**
MARY CHILTON DAR APPLICATIONS DUE
- JANUARY 17:** MARTIN LUTHER KING JR DAY – OFFICE CLOSED

For information on any of the above announcements or deadlines, call the District III office:
 (605) 665-4408 or (800) 952-3562

Your "one stop shop" for economic development is now easily accessible on-line. For information on . . .

- Funding Programs
- Planning Assistance
- Marketing Assistance
- Housing Programs
- GIS/Mapping Services
- Areawide Business Council
- Small Business Development Center
- Regional Classified Ads
- Census Information
- Business Support Services
- Tourism
- And Much More



Visit www.districtiii.org

Utilizing GIS for E-911 Mapping in Bon Homme County

Bon Homme County dispatchers have another tool to assist first responders in finding the fastest route to emergency locations. The tool is called R3, and it not only maps out the exact location of a 911 phone call, but it highlights the fastest route for fire, ambulance, or law enforcement units.

R3, which stands for Rapid Response and Routing, is a software program designed by Bullberry Systems, a subsidiary of Kadermas, Lee, and Jackson (KLJ). KLJ is an engineering firm, and their home office is in Bismarck, North Dakota, with a branch office in Rapid City. The software uses Geographic Information Systems (GIS) technology to perform its digital mapping functions.

When a person in Bon Homme County dials 911, a stream of information (the resident's name, address, phone number, and emergency response zone) is sent to the dispatcher's office. R3 reads this data stream and identifies the location on a digital map. As the dispatcher communicates with the caller, they assess which type of responder will be needed. They are then able to generate a route from the proper response station (fire, police, or ambulance) to the incident location. With one additional click of a button, a map of the county with the highlighted route (complete with typed directions) is faxed to the appropriate emergency responder.

The R3 software needs an accurate GIS road centerline layer to function properly. Bon Homme County contracted with District III to develop this road layer, which was done by modifying the existing road data originally collected during the Department of Transportation (DOT) GPS road mapping project in 1995. Because this GIS layer is the most accurate road centerline data available in the U.S., and also because DOT provides this data free of charge to counties and local governments, District III was able to perform this service to Bon Homme County at a considerably reduced cost. □

(ABC Continued)

ABC works in cooperation, not in competition, with local banks to provide financing options for businesses. ABC is intended to be a subordinate lender that will "fill the gap" in a financing package. ABC is continually working with primary bank lenders to educate them about the benefits of an injection of RLF capital into a project. For example:

- Bank incurs less risk
- Borrower obtains a lower overall interest rate
- ABC assists in economic development and job retention/creation

Other creative financing options for consideration when working with the RLF include, but are not limited to:

- Longer amortization
- Balloon payments
- Interest only payments
- Deferred payments
- Development attitude
- Higher risk approvals

Historically, ABC has proven itself as an effective tool in structuring deals. This is evident based on the following statistics:

Total Loans Made Since Inception	92
Total Active Loans	49
Fully Repaid Loans	36
Jobs Created/Saved	687
Total Amount Loaned	\$3,916,275
Total Amount Leveraged	\$29,103,018

In addition, ABC recently received a \$500,000 South Dakota Board of Economic Development loan through the Revolving Economic Development and Initiative Fund (REDI). This additional capital solidifies ABC as a "go to" source with **over \$1.5 million available** for projects at this time. The complete ABC loan application is now available on-line at the new District III website: www.districtiii.org

For more information about ABC, contact Lori at the District III office. □

"It takes a lot of things to prove you are smart, but only one thing to prove you are ignorant."
--Don Herold, Humorist

SD Department of Transportation Funding Programs

One of the critical components to improving economic development is easy access to the community and new/existing businesses. The South Dakota Department of Transportation (SDDOT) has three grant programs to help local governments pay for road infrastructure upgrades.

Industrial Park Grants aid in the development of new or expanded access for industry located within Industrial Parks. The program provides priority one projects 80% grant funding, not including engineering and utility costs, with the applicant matching the remaining 20%. The following are a few criteria potential applicants should consider before applying for an Industrial Park grant:

- ✓ *Construction must be initiated within six months of commission approval;*
- ✓ *Minimum committed capital investment must be at least five times the required state participation costs;*
- ✓ *Total employment for all facilities in the industrial park or development should be at least 50; and*
- ✓ *A minimum of five new jobs will be created by the development.*

The program is typically funded at \$1,000,000 per year, there is no grant size limit, and applications are received on an as-needed basis.

A second program recently added to the SDDOT Transportation Policy is the **Agri-Business Access Grant**. Basically, this program is an extension of the Industrial Parks grant and requires much of the same criteria stated above. The only exception is that it is not necessary for the business to employ 50 persons, but the project should still create five new jobs. The projects eligible for funding are roads that serve as primary access to an agricultural production or service business. Agri-Business access projects are eligible for 60% grant funding, not including engineering or utility costs, with the applicant matching the remaining 40%. The program will have \$1,000,000 available per year, there is not a grant size limit, and applications are received on an as-needed basis.

Lastly, the **Community Access Grant Program** provides any incorporated municipality, township, county, or tribal government, with a population of less than five thousand (5,000) residents, the opportunity to apply for grant funding to update roads of one mile or less in length. Typical projects are the construction or reconstruction of major streets in town, such as Main Street, the road to the elevator, schools, hospitals, etc. The program provides 60% of the construction costs, not including engineering or utility work, with the applicant matching the remaining 40%. The program is funded at \$1,500,000 per year and applications are due August 1st. Grant size is limited to \$400,000.

If you have any questions regarding the SDDOT's grant programs, please contact Matt at District III.

District III Staff Responsibilities

STAFF MEMBER	RESPONSIBILITIES
Eric Ambroson	<ul style="list-style-type: none"> ✓ Governor's House ✓ Assisted living centers and nursing homes ✓ State Library Grant Program ✓ Day care ✓ Tourism ✓ Housing programs
John Clem	<ul style="list-style-type: none"> ✓ DENR Solid Waste Management Grant Program ✓ EPA Brownfields Program ✓ COPS and other law enforcement programs ✓ Deadwood Fund, Mary Chilton, and other historic preservation programs ✓ South Dakota Community Foundation ✓ Missouri River sedimentation and associated issues ✓ Energy conservation
Lori Cowman	<ul style="list-style-type: none"> ✓ Economic Development Administration ✓ GOED MicroLoan and REDI Fund ✓ Small Business Administration loan programs ✓ Rural Development Intermediary Relending Program ✓ Local and other regional revolving loan funds ✓ Value added agriculture projects ✓ Yankton Sioux Tribe RLF
Matt Kerr	<ul style="list-style-type: none"> ✓ DENR State Water Plan ✓ DENR Consolidated Program ✓ Community and Industrial Access Programs ✓ Rural Development Water and Sewer Programs ✓ DOT Enhancements ✓ Land and Water Conservation Fund
Brian McGinnis	<ul style="list-style-type: none"> ✓ DENR SRF Programs ✓ CDBG Program ✓ Land use planning and zoning ✓ Value Added Project infrastructure
Harry Redman Travis Acklin	<ul style="list-style-type: none"> ✓ GIS Programs ✓ DOT project data maintenance and mapping ✓ GIS database management ✓ GPS ✓ Mapping and graphic support
Sue Stoll	<ul style="list-style-type: none"> ✓ Director of Small Business Development Center ✓ Business Consulting ✓ Marketing ✓ Financial Analysis ✓ Cash Flow Planning and Management ✓ Business Expansion

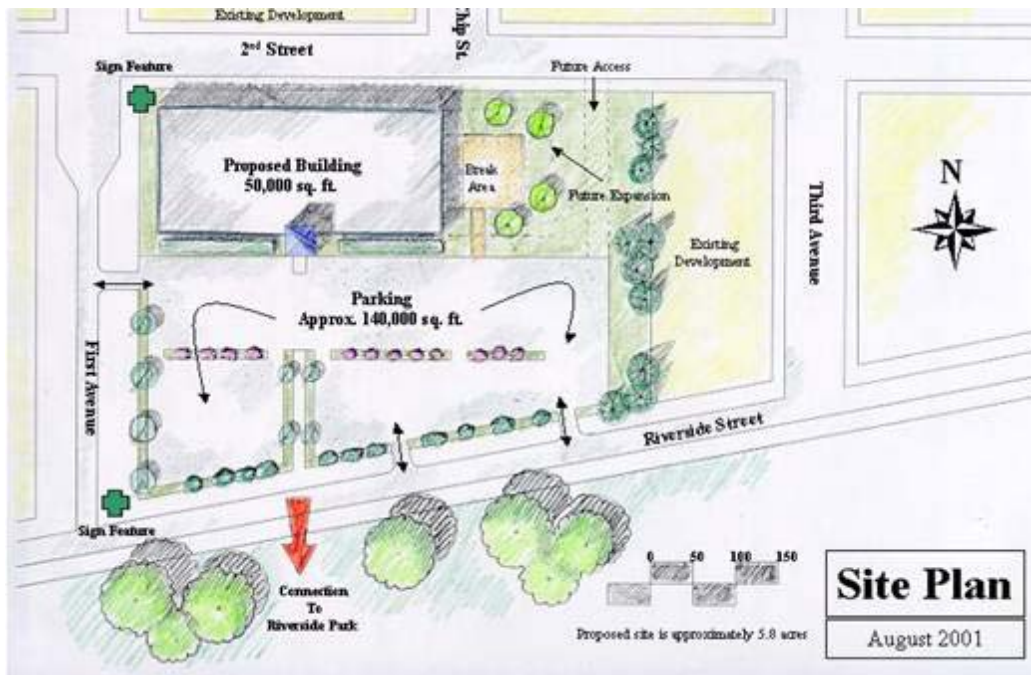
DISTRICT III RENDERING SERVICES

The old saying "A picture is worth a thousand words" still rings true today. An image that truly conveys your project concept may be worth a thousand words, or even thousands of dollars in fund raising activities. Planning and Development District III is committed to providing high quality, affordable renderings of any community project, whether it is a Main Street building, industrial park, landscaping, or a community building.

Digital technology is the primary tool used by District III for rendering services. Typically, a digital picture is taken of the existing site, and then processed into the computer. Imaging software is then used to insert the proposed project (building, landscaping, etc.) onto the existing site image. The resulting image should appear as though the project had been there for years! The example below illustrates the potential benefit of digital rendering. The image on the left is an existing site in a community. The image on the right is a completed digital rendering of a proposed office building on the site.



District III is able to offer alternatives to digital rendering. Hand-drawn renderings can also communicate development concepts just as effectively, and, in some cases, less time is spent on production.



The image above depicts the site plan for a proposed office building on a redevelopment site. Hand-drawn images can usually be done quickly and can cover any scale of development; from site plans for individual buildings to development concepts for an entire neighborhood.

For more information on rendering services for your community, please call Eric at the District III office. □

EXECUTIVE BOARD:

ARTHUR HERTZ, GREGORY COUNTY

MILFORD MARKUS, BRULE COUNTY

ARVID OLSON, SANBORN COUNTY

REX WINTER, SOUTH CENTRAL WATER DEVELOPMENT DISTRICT

HERMAN PETERS, CHARLES MIX COUNTY

BERNIE SCHMUCKER, DAVISON COUNTY

GREG GEMAR, SCOTLAND

RON SULLY, LAKE ANDES

ORGANIZATION:

Planning & Development District III is a voluntary association of city and county governments. A committee of elected officials and private citizens govern the agency by setting the work agenda and overseeing the performance of the Director and staff. The office serves a 14-county area that includes the following counties: Aurora, Bon Homme, Brule, Charles Mix, Davison, Douglas, Gregory, Hanson, Hutchinson, Jerauld, Lyman, Sanborn, Tripp, and Yankton. There are 59 communities and three tribal governments within the service area.

THE STAFF:

Greg Henderson, Executive Director

Travis Acklin, GIS Specialist

Eric Ambroson, Planner II

Kristi Bjerkaas, Administrative Assistant

John Clem, Planner II

Lori Cowman, Planner II

Pat Hansen, Finance Officer

Matt Kerr, Planner II

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*The Staff of Planning & Development District III would like to wish you
the very best during the upcoming Holiday Season!*

PLANNING & DEVELOPMENT DISTRICT III

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ADDRESS CORRECTION REQUESTED